

Draft #2
31 July 1980

MEMORANDUM FOR: Director of Central Intelligence
VIA: Deputy Director of Central Intelligence
FROM: [REDACTED]
Special Assistant to the DCI
for Compartmentation
[REDACTED]
DCI APEX Security Officer
SUBJECT: APEX - One System for Industry

1. As APEX proceeds there is concern about the task of assuring industry that the U.S. Government can in fact deal in accordance with a single set of SCI rules. As previously noted, at least some industrial representatives are without faith in the Government's ability to act on a single set of procedures.

2. This concern exists within CIA. Not all senior managers see concrete advantages or even broadly desirable aspects in creating a uniform Government-wide process for dealing with SCI and industry although they do commend the effort in the abstract.

3. The problem stems from a difference in perception of what a single system means. For example, to industry one system means that:

• Personal history statements, background investigations and other aspects of personnel security will be standardized while in CIA and NSA the polygraph interview is an added and hard won procedure not to be surrendered in the interest of arriving at uniformity with other departments that don't use polygraph.

• SCI accesses would be interchangeable among government agencies while in fact, government security elements will not accept another agency's approval without insisting on some additional checking.

It has been proven that the quality differences are significant.

• Inspections done by one agency would be accepted by other agencies while in actuality departments see this as a loss of control. *(And possible problems for Contracting Officer, i.e. Security Follows The CONTRACT)*

• The Government would be satisfied with one Non-disclosure Agreement while in practice each agency will want the contractor to sign a separate one.

- who is responsible when there is a serious flap?

• There would be only one implementation manual of the APEX policy statements while in reality each agency will want to publish its own with all the potential this implies for variation in interpretation of policy and thus a breakdown of the single system.

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4. The concern with calls for uniformity is viewed in the Agency as meaning an eventual acceptance of lower security standards and loss of a degree of control over Agency activities. The mistrust

in industry stems from a perception that this desire to retain independent departmental standards and controls is bureaucratic in nature and will compel a multiplicity of at least redundant and most likely diverse procedures similar to what we have today.

5. We have discussed this issue and mutually recognize each others concerns without fully assuaging or satisfying their root cause.

6. The Office of Security, CIA is justifiably proud of its record in working with industry in a flexible, "can-do" way which led to the success of 25X1

while at the same time imbued these activities with a security discipline which has achieved its purpose, the secure realization of their purpose and goals. This has been achieved by high standards, to be sure, but also by flexibility, sensible and practical on-the-spot decisions where deviations from the norm were required. In this vein, the Director of Security voices concerns shared by Agency managers.

7. In his hat as your APEX Security Officer, the Director of Security acknowledges and agrees that it is necessary to ensure that you are completely cognizant of the necessity, if the single system is to become a reality for abolishing at least the gross appearances of imposing varying security standards upon industrial contractors by different Government agencies. While it is realized that efforts to reach a common standard often result in achieving the lowest common denominator standards, it is essential that we reach a common understanding of what a "single system" entails.

8. We believe that while the problem may not be of magnitude yet, more effort is necessary now to assure that all hands recognize what is involved throughout the Community and that the CIA must be as pure as ivory in this context.

9. We request, consequently, that we speak on this problem in the presence of you and Mr. Carlucci to the Deputy Directors. A DCI Staff meeting augmented for this purpose by the Directors of Logistics, OD&E, NPIC, and OSO, [] as CIA SIO and whomever else you suggest might be appropriate. We would take perhaps 10 minutes.

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10. After CIA's house is very clearly in order, a presentation probably should be made at NFIB, but a recommendation to that end should await assurance of clear perception by CIA officials.

11. We recommend that you approve a brief discussion by us of these concepts and problems at an appropriate gathering when you and the DDCI can participate. This memorandum was coordinated with the Director of Logistics and Office of Development and Engineering. They feel that some such forum must be used to resolve the concerns that many Agency managers feel and they support this proposal.

12. All of the above paragraphs are classified CONFIDENTIAL.

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